



BRANDON M. SCOTT
MAYOR

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

HB 1499

March 11, 2026

TO: Members of the Economic Matters Committee
FROM: Nina Themelis, Director, Mayor's Office of Government Relations
RE: House Bill (HB) 1499 - Business Regulation - Home Improvement Contracts - Deposits

POSITION: OPPOSE

Chair Valderrama, Vice Chair Charkoudian and members of the committee, please be advised that the Baltimore City Administration (BCA) **opposes** House Bill (HB) 1499.

HB 1499 would increase the maximum portion of a home improvement contract price that a person may receive as a deposit before or at the time of execution of the home improvement contract from one-third to one-half the contract price.

The BCA opposes HB 1499 Business Regulation - Home Improvement Contracts – Deposits because, in effect, it will make necessary home improvements regressively less accessible to less affluent households or those on a fixed income.

If approved, the legislation would allow contractors to require a deposit of up to ½ the total home improvement contract price instead of ⅓. This bill will have a disproportionate, inequitable impact on those living on a fixed income, such as SSI (individuals with disabilities, older adults, and individuals who are blind), households that qualify for Temporary Assistance for Needy Families (TANF) and/or the Low-Income Housing Tax Credit (LIHTC) Program, and/or are single-income.

With regard to Baltimore's demographic composition, this legislation is likely to more significantly burden historic Black working-class neighborhoods (Reservoir Hill, Oldtown, Sandtown, Upton/Druid Heights, etc.), while not burdening predominantly white affluent or redeveloped neighborhoods to nearly the same degree (Southeast Baltimore, Roland Park, Downtown, Inner Harbor, Locust Point, etc.). This is due to more consistent investment, development, and the prevalence of investor-owned apartment complexes in those areas.

The impact of this change on vulnerable and underserved households and the general preservation of Baltimore's historic neighborhoods should not be understated. HB 1499 is likely to exacerbate the Baltimore vacancy crisis in its long-term effect, as households that cannot afford large upfront

deposits on home improvement projects will be more likely to live in homes in disrepair until it becomes too difficult/costly to fix and/or inhabit.

Unfortunately, too many consumers already fall victim to contractors who take a deposit and disappear. While this legislation would only apply to MHIC contractors, it would create a standard that non-MHIC contractors would likely abuse. If anything, the deposit should be reduced to 1/5 the contract price.

For these reasons, the BCA respectfully recommends an **unfavorable** report on HB 1499.